

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 04-11
)	
ERNEST K.HIRATA and ASSOCIATES,)	
INC. and ERNEST K. HIRATA,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around September 2001, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Ernest K. Hirata and Associates, Inc. and Ernest K. Hirata ("Hirata"). Business Registration Division records list Hirata as President of Ernest K. Hirata & Associates, Inc., whose business purpose is soil and foundation engineering, and business address is 99-1433 Koaha Place, Aiea, Hawaii. Business registration records also list James M. Hirata as Vice-President of Ernest K. Hirata & Associates, Inc. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Hirata and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around September 2001, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of candidate campaign committees including:
 - a. Andy Anderson ("Anderson"),
 - b. Ben Cayetano ("Cayetano"),
 - c. Arnold Morgado ("Morgado"),
 - d. Jeremy Harris ("Harris"),
 - e. Kimo Apana ("Apana"),
 - f. Mazie Hirono ("Hirono"), and
 - g. Mufi Hannemann ("Hannemann")initiated an investigation involving excess contributions in violation of campaign finance statutes.
 - 2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the

candidate's committee in an aggregate amount greater than \$6,000 during an election period.

3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-204(h), HRS reads in part as follows:...an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
5. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election in any name other than the true name of the person who owns the money or who supplied the money or property.
6. The Commission finds that contributions made to candidates by family members, employees and friends of Hirata include:
 - a. James M. Hirata (deceased), father of Ernest Hirata,
 - b. Linda Hirata, sister of Ernest Hirata,
 - c. Paul S Morimoto, vice-president,
 - d. Betty Morimoto, mother of Paul Morimoto,
 - e. Sharyn Kamemoto, sister of Paul Morimoto,
 - f. Joanne Morimoto, wife of Paul Morimoto
 - g. Richard Isono, father-in-law of Paul Morimoto,
 - h. Annie Isono, mother-in-law of Paul Morimoto,

- i. Wesley Isono, brother-in-law of Paul Morimoto,
- j. Dean Isono, brother-in-law of Paul Morimoto,
- k. Lana Isono, wife of Dean Isono,
- l. David Kitamura, vice-president,
- m. Laura O. Kitamura, mother of David Kitamura,
- n. Lynne M. Kitamura, sister of David Kitamura,
- o. Galen J. Kitamura, brother of David Kitamura,
- p. Lynn S. Kitamura, wife of David Kitamura,
- q. Lydia Morikawa, sister-in-law of David Kitamura,
- r. Claire Pilar, bookkeeper at Hirata
- s. Jung K. Kim, engineer at Hirata
- t. Chong Hui Kim, wife of Jung Kim
- u. Christine Kim, daughter of Jung Kim
- v. Lynn M. Kitamura, sister of David Kitamura,
- w. Lynn M. Viveiros (nee Lynn M. Kitamura),
- x. Siu LungKwok, brother-in-law of Ernest Hirata,
- y. Lori Hidano, niece of Paul Morimoto, and
- z. Sharyn Hidano Kimoto, sister of Paul Morimoto

7. The Commission finds that on August 30, 2002, Claire Pilar made contributions to the Anderson campaign committee in the amount of \$1,000.

8. The Commission finds that Hirata employees, friends and relatives made contribution to the Morgado campaign committee in the amount of \$10,000, including:

a.	Jung K. Kim	4/18/96	1,000
b.	Lori Hidano	8/27/96	1,000
c.	Wesley H. Isono		1,000
d.	Christine Y. Kim		1,000
e.	Galen J. Kitamura		1,000
f.	Lynn W. Viveiros		1,000
g.	Linda M. Hirata	8/28/96	1,000
h.	Jung K. Kim		1,000
i.	Laura O. Kitamura		1,000
j.	Siu Lung Kwok		1,000

9. The Commission finds that Hirata, employees, friends and relatives made contributions to the Cayetano campaign committee in the amount of \$22,450, including:

a.	Hirata and Associates	2/9/96	1,000
b.	Christine Kim	5/23/97	500
c.	Jung Kim		500
d.	David Kitamura		500
e.	Lynn Kitamura		500
f.	James M. Hirata	12/31/97	1,000
g.	James M. Hirata		1,000
h.	Jung K. Kim		500
i.	Christine Y. Kim		500
j.	David M. Kitamura		500
k.	Lynn S. Kitamura		500
l.	Jensen Morimoto		1,000
m.	Paul s. Morimoto		500
n.	Joanne Morimoto		500
o.	Dean S. Isono	4/8/98	500
p.	Richard H. Isono		500
q.	Annie S. Isono		500
r.	Lana L. Isono		500
s.	Laura Kitamura	5/5/98	1,000
t.	Siu Lung Kwok		1,000
u.	Lynn M. Viveiros		1,000
v.	Jung K. Kim	6/23/98	500
w.	Paul S. Morimoto		500
x.	Lynn Kitamura	8/13/98	125
y.	David Kitamura		125
z.	David Kitamura	10/2/98	50
aa.	David Kitamura		250
bb.	Lynn S. Kitamura		50
cc.	Lynns. Kitamura		250
dd.	James M. Hirata	10/7/98	1,000
ee.	James M. Hirata		1,000
ff.	David Kitamura	10/16/98	500
gg.	Lynn S. Kitamura		500
hh.	Jung K. Kim	10/30/98	400
ii.	David Kitamura		200
jj.	David Kitamura		100
kk.	Lynn S. Kitamura		100
ll.	Lynn S. Kitamura		200
mm.	Paul S. Morimoto		1,000
nn.	Paul S. Morimoto		500

oo.	Jensen T. Morimoto	11/2/98	1,000
pp.	Jung K. Kim	11/5/98	100

10. The Commission finds that Hirata, employees, friends and relatives made contributions to the Harris campaign committee in the amount of \$41,120, including:

a.	Jung K. Kim	6/22/98	200
b.	Jung K. Kim	6/27/99	500
c.	Linda M. Hirata	6/30/99	500
d.	Dean S. Isono	11/30/99	900
e.	Lana Isono		900
f.	Laura O. Kitamura		900
g.	Lynn M. Kitamura		900
h.	Jensen T. Morimoto		900
i.	David Kitamura	12/8/99	900
j.	James M. Hirata	12/9/99	100
k.	Jung K. Kim		900
l.	James M. Hirata	12/27/99	100
m.	Wesley H. Isono		900
n.	James M. Hirata	12/28/99	700
o.	Galen Kitamura		900
p.	Sharyn Hidano Kimoto		900
q.	James M. Hirata	12/30/99	2,000
r.	Annie S. Isono	9/20/00	1,000
s.	Richard H. Isono		1,000
t.	Chong Hui Kim	2/2/00	900
u.	Chong Hui Kim	9/20/00	1,000
v.	Chong Hui Kim	2/2/00	900
w.	Chong Hui Kim	9/20/00	1,000
x.	Jung K. Kim	3/29/00	1,000
y.	David Kitamura	8/11/00	500
z.	David Kitamura	9/2/00	1,000
aa.	David Kitamura	9/20/00	1,000
bb.	Galen Kitamura		1,000
cc.	Laura Kitamura		1,000
dd.	Lynn Kitamura		500
ee.	Lydia Morikawa		900
ff.	Betty Y. Morimoto		1,000
gg.	Jensen T. Morimoto		1,000
hh.	Joanne T. Morimoto		1,000
ii.	Paul S. Morimoto	9/1/00	1,000
jj.	Paul S. Morimoto	9/20/00	1,000

kk.	Claire Pilar	9/15/00	1,000
ll.	Hui Chong Kim	9/22/00	220
mm.	James M. Hirata	9/20/00	1,000
nn.	Linda Hirata	1/20/00	1,000
oo.	Ernest Hirata	12/14/01	1,000
pp.	Ernest Hirata	12/21/01	1,000
qq.	Ernest Hirata	12/14/01	1,000
rr.	Jung K. Kim		1,000
ss.	David Kitamura		1,000
tt.	Paul S. Morimoto		1,000
uu.	Claire Pilar		1,000
vv.	Paul S. Morimoto	9/27/01	500

11. The Commission finds that Hirata, employees and family members made contributions to the Apana campaign committee in the amount of \$9,000, including:

a.	James Hirata	6/27/01	1,000
b.	Jung K. Kim	6/19/01	1,000
c.	Jung K. Kim	6/20/01	1,000
d.	David Kitamura	6/27/01	1,000
e.	David Kitamura	6/27/01	1,000
f.	Jensen T. Morimoto	6/24/01	1,000
g.	Paul S. Morimoto	6/20/01	1,000
h.	Claire Pilar	6/19/01	1,000
i.	Claire Pilar	6/19/01	1,000

12. The Commission finds that Hirata, employees, and family members made contributions to the Hirono campaign committee in the amount of \$9,250, including:

a.	David Kitamura	9/22/97	1,000
b.	Paul S. Morimoto	9/22/97	1,000
c.	Jung K. Kim	7/7/98	500
d.	David Kitamura		200
e.	Joanne Morimoto		300
f.	David Kitamura	10/14/98	1,000
g.	Jung K. Kim		1,000
h.	Paul S. Morimoto		1,000
i.	James Hirata	11/3/98	2,000
j.	David Kitamura	8/23/02	250
k.	Ernest Hirata	10/18/02	1,000

13. The Commission finds that Hirata, employees and family members made contributions to the Hannemann campaign committee in the amount of \$5,350, including:

a.	Jung K. Kim	12/31/97	100
b.	Jung K. Kim		500
c.	James M. Hirata	9/5/00	500
d.	David Kitamura	6/30/00	250
e.	David Kitamura	6/27/01	1,000
f.	Paul Morimoto	6/30/01	1,000
g.	Claire Pilar	6/27/01	1,000
h.	Paul Morimoto	12/31/01	1,000

14. That Hirata did not file an organizational report pursuant to section 11-194, HRS.
15. That Hirata did not file state contractor reports pursuant to section 11-205.5, HRS.
16. That Hirata did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #04-11, Hirata understands and agrees to the following:

- (A) Hirata agrees to an assessment of **One Hundred Twenty-seven Thousand Five Hundred Dollars (\$127,500)** pursuant to section 11-228, HRS.
- (B) Commission finds that there may be violations of section 11-202, HRS, making false name campaign contribution to the campaign committees of the respective candidates, and

violations of section 11-204, HRS, making excess campaign contributions to the campaign committees of the respective candidates.

- (C) Hirata agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (D) Terms of payment of the assessment shall be by Order of the Commission.
- (E) This Agreement is not be construed as an admission of any misconduct, liability or fault of any kind whatsoever by Respondents, but compromises and settles a dispute for the purposes of avoiding further controversy, litigation and expense. This Agreement resolves all disputes raised by the investigation of Respondents by the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Hirata on the matters raised herein, and no other statement, promise,

or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Ernest K. Hirata

By: _____

(Name)

(Title)

Date: _____